HOUSE BILL No. 1321

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-13-5-2.5; IC 12-19-7; IC 12-19-7.5.

Synopsis: Administration and funding of human services. Requires intake and eligibility determinations for certain services and programs administered or supervised by the division of family resources to be performed by merit employees employed in the county office of the county in which the individuals receiving the services principally reside. Changes the budget procedure for the county family and children's fund and the county children's psychiatric residential treatment services fund to: (1) permit a county fiscal body to reduce a proposed budget and levy to the advisory expenditure limit established for the county; and (2) require the department of child services to document the need for any expenditure that exceeds the county's advisory expenditure limit.

Effective: July 1, 2006.

Pelath, Oxley

January 10, 2006, read first time and referred to Committee on Family, Children and Human Affairs.





Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

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HOUSE BILL No. 1321

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A BILL FOR AN ACT to amend the Indiana Code concerning human services.

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Be it enacted by the General Assembly of the State of Indiana:

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5	division under section 1 or 2 of this chapter must be performed:
4	for programs and services administered or supervised by the
3	1, 2006]: Sec. 2.5. The initial intake and eligibility determinations
2	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
1	SECTION 1. IC 12-13-5-2.5 IS ADDED TO THE INDIANA CODE

- (1) in the county in which the individuals primarily served by the programs and services principally reside; and
- (2) by an individual who is employed in:
 - (A) classified service (as defined in IC 4-15-2-2.4); and
 - (B) the county office for the county in which the individuals primarily served by the programs and services principally reside.
- SECTION 2. IC 12-19-7-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 0.5. As used in this chapter, "advisory expenditure limit" refers to the expenditure limit established for a year under section 5.5 of this chapter.



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SECTION 3. IC 12-19-7-4, AS AMENDED BY P.I. SECTION 57, IS AMENDED TO READ AS FOLLOWS [E] JULY 1, 2006]: Sec. 4. (a) For taxes first due and payable after 2005, 2006, each county: (1) shall impose a county family and children prope equal to the lesser of: (A) the county family and children property tax lever to pay the costs of the child services of the county fiscal year; or (B) the advisory expenditure limit that approperty for the next year less any unencumbered the fund at the end of the immediately precedin (2) may impose an additional county family and property tax levy equal to the greater of zero difference between: (A) the costs for child services of the county department justifies as necessary or desirable in adopted under section 6 of this chapter; and (B) the sum of the county's advisory expenditude the next year and the unencumbered balance in the end of the immediately preceding year. (b) The department of local government finance shall requirements of this section with respect to that levy and of IC 6-1.1-17-3. SECTION 4. IC 12-19-7-5.5 IS ADDED TO THE INDIA AS A NEW SECTION TO READ AS FOLLOWS [EFFECT 1, 2006]: Sec. 5.5. The advisory expenditure limit for a amount determined under STEP THREE of the following amount determined und	EFFECTIVE in each year erty tax levy yy necessary for the next elies to the d balance in g year; and and children
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8 1, 2006]: Sec. 5.5. The advisory expenditure limit for a	
9 amount determined under STEP THREE of the following	
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0 STEP ONE: Determine the actual expenditures pa	•
1 property tax levies for the fund for child services	•
2 preceding the budget year by two (2) years, exc	luding any
amount paid from the fund to cover:	
4 (A) expenditures other than child services, in	•
5 amount paid on a loan from the fund	for these
6 expenditures;	
7 (B) expenditures for child services made in a	
8 than the year that precedes the budget year	• • • • • • • • • • • • • • • • • • • •
9 years, including the amount paid on a loan fro	m the fund
0 for these expenditures; or	
1 (C) expenditures for children's psychiatric	
2 treatment services (as defined in IC 12-19-7.5-1) that were



1	paid from the fund but are of the type payable from the
2	children's psychiatric residential treatment services fund
3	after 2005.
4	However, for the 2008 budget year, the STEP ONE amount is
5	the same as the STEP ONE amount used for the 2007 budget
6	year multiplied by the assessed value growth quotient
7	determined under IC 6-1.1-18.5-2 for 2006.
8	STEP TWO: Multiply the STEP ONE amount by the assessed
9	value growth quotient determined under IC 6-1.1-18.5-2 for
10	the year immediately preceding the budget year.
11	STEP THREE: Multiply the STEP TWO amount by the
12	assessed value growth quotient determined under
13	IC 6-1.1-18.5-2 for the budget year.
14	SECTION 5. IC 12-19-7-6, AS AMENDED BY P.L.234-2005,
15	SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16	JULY 1, 2006]: Sec. 6. (a) The department, upon the advice of the
17	judges of the courts with juvenile jurisdiction in the county, and after
18	consulting with the division of family resources, shall annually compile
19	and adopt a child services budget, which must be in a form prescribed
20	by the state board of accounts.
21	(b) The budget must contain an estimate of the amount of money
22	that will be needed by the department during the ensuing year to defray
23	the expenses and obligations incurred by the department in the payment
24	of services for children adjudicated to be children in need of services
25	or delinquent children and other related services, but not including the
26	payment of AFDC.
27	(c) If the department proposes expenditures for the next year
28	that exceed the sum of the county's advisory expenditure limit for
29	the next year and the unencumbered balance in the fund at the end
30	of the immediately preceding year, the department must include
31	with the budget supporting documentation that includes the
32	following:
33	(1) A description of the actions that the department and the
34	judges of the courts with juvenile jurisdiction in the county
35	have taken to review alternative, less costly methods of
36	delivering child services and the reasons why alternative, less
37	costly methods of delivering child services cannot be adopted.
38	(2) A description of the actions that the department and the
39	judges of the courts with juvenile jurisdiction in the county
40	have taken to control the charges imposed by providers of
41	child services.



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(3) All of the following:

1	(A) A description of each action that could be taken to
2	reduce the budget to the sum of the county's advisory
3	expenditure limit for the next year and the unencumbered
4	balance in the fund at the end of the immediately preceding
5	year without requiring implementation of the procedure
6	set forth in section 15 of this chapter.
7	(B) A description of the amount by which implementation
8	of each action described under clause (A) would reduce the
9	proposed budget.
10	(C) A ranking of the actions described under clause (A)
11	according to the relative desirability of taking each action
12	on the basis of the impact that each action would have on
13	the welfare of children.
14	(D) A chart of the cumulative reduction in the property tax
15	levy and property tax rate for the fund that would result
16	from the adoption of a combination of the actions
17	described under clause (A), beginning with the highest
18	ranked action through the lowest ranked action.
19	(E) A description of the impact that each action described
20	under clause (A) would have on the eligibility of the state
21	and the county for federal funding for child services or
22	other federal funding.
23	SECTION 6. IC 12-19-7-9, AS AMENDED BY P.L.234-2005,
24	SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25	JULY 1, 2006]: Sec. 9. The budget, supporting documentation for
26	the budget, and the tax levy recommended by the department shall be:
27	(1) certified to the county auditor;
28	(2) filed for consideration by the county fiscal body; and
29	(3) filed with the department of local government finance.
30	SECTION 7. IC 12-19-7.5-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
31	
32	[EFFECTIVE JULY 1, 2006]: Sec. 0.5. As used in this chapter,
33 34	"advisory expenditure limit" refers to the expenditure limit
35	established for a year under section 6.5 of this chapter.
36	SECTION 8. IC 12-19-7.5-6, AS AMENDED BY P.L.234-2005,
37	SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38	JULY 1, 2006]: Sec. 6. (a) For taxes first due and payable in each year
	after 2005, 2006, each county:
39 10	(1) shall impose a county children's psychiatric residential
40 4.1	treatment services property tax levy equal to the lesser of: (A) the country shildren's respectively residential treatment
41	(A) the county children's psychiatric residential treatment

services property tax levy necessary to pay the costs of



1	children's psychiatric residential treatment services of the
2	county for the next fiscal year; or
3	(B) the advisory expenditure limit that applies to the
4	county for the next year less any unencumbered balance in
5	the fund at the end of the immediately preceding year; and
6	(2) may impose an additional county children's psychiatric
7	residential treatment services property tax levy equal to the
8	greater of zero (0) or the difference between:
9	(A) the costs for children's psychiatric residential
10	treatment services of the county that the department
11	justifies as necessary or desirable in its budget adopted
12	under section 8 of this chapter; and
13	(B) the sum of the county's advisory expenditure limit for
14	the next year and the unencumbered balance in the fund at
15	the end of the immediately preceding year.
16	(b) The department of local government finance shall review each
17	county's property tax levy under this section and shall enforce the
18	requirements of this section with respect to that levy.
19	SECTION 9. IC 12-19-7.5-6.5 IS ADDED TO THE INDIANA
20	CODE AS A NEW SECTION TO READ AS FOLLOWS
21	[EFFECTIVE JULY 1, 2006]: Sec. 6.5. The advisory expenditure
22	limit for a year is the amount determined under STEP THREE of
23	the following formula:
24	STEP ONE: Determine the actual expenditures from property
25	tax levies for the fund (or in 2005, the family and children's
26	fund) for children's psychiatric residential treatment services
27	in the year preceding the budget year by two (2) years,
28	excluding an amount paid from the fund to cover:
29	(A) expenditures other than children's psychiatric
30	residential treatment services, including the amount paid
31	on a loan for these expenditures; or
32	(B) expenditures for children's psychiatric residential
33	treatment services made in a year other than the year that
34	precedes the budget year by two (2) years, including the
35	amount paid on a loan for these expenditures.
36	However, for the 2008 budget year, the STEP ONE amount is
37	the same as the STEP ONE amount used for the 2007 budget
38	year multiplied by the assessed value growth quotient
39	determined under IC 6-1.1-18.5-2 for 2006.
40	STEP TWO: Multiply the STEP ONE amount by the assessed
41	value growth quotient determined under IC 6-1.1-18.5-2 for
42	the year immediately preceding the budget year.



1	STEP THREE: Multiply the STEP TWO amount by the	
2	assessed value growth quotient determined under	
3	IC 6-1.1-18.5-2 for the budget year.	
4	SECTION 10. IC 12-19-7.5-8, AS AMENDED BY P.L.234-2005,	
5	SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE	
6	JULY 1, 2006]: Sec. 8. (a) For purposes of this section, "expenses and	
7	obligations incurred by the department" include all anticipated costs of	
8	children's residential psychiatric services that are equal to the state	
9	share of the cost of those services that are reimbursable under the state	
10	Medicaid plan.	4
11	(b) The department, upon the advice of the judges of the courts with	
12	juvenile jurisdiction in the county and after consulting with the division	•
13	of family resources, shall annually compile and adopt a children's	
14	psychiatric residential treatment services budget, which must be in a	
15	form prescribed by the state board of accounts.	
16	(c) The budget must contain an estimate of the amount of money	4
17	that will be needed by the department during the fiscal year to defray	
18	the expenses and obligations incurred by the department in the payment	
19	of children's psychiatric residential treatment services for children who	
20	are residents of the county.	
21	(d) If the department proposes expenditures for the next year	
22	that exceed the sum of the county's advisory expenditure limit for	
23	the next year and the unencumbered balance in the fund at the end	
24	of the immediately preceding year, the department must include	
25	with the budget supporting documentation that includes the	
26	following:	
27	(1) A description of the actions that the department and the	
28	judges of the courts with juvenile jurisdiction in the county	
29	have taken to review alternative, less costly methods of	
30	delivering children's psychiatric residential treatment services	
31	and the reasons why alternative, less costly methods of	
32	delivering children's psychiatric residential treatment services	
33	cannot be adopted.	
34	(2) A description of the actions that the department and the	
35	judges of the courts with juvenile jurisdiction in the county	
36	have taken to control the charges imposed by providers of	
37	children's psychiatric residential treatment services.	
38	(3) All of the following:	
39	(A) A description of each action that could be taken to	
40	reduce the budget to the sum of the county's advisory	
41	expenditure limit for the next year and the unencumbered	

balance in the fund at the end of the immediately preceding



1	year without requiring implementation of the procedure	
2	set forth in section 14 of this chapter.	
3	(B) A description of the amount by which implementation	
4	of each action described under clause (A) would reduce the	
5	proposed budget.	
6	(C) A ranking of the actions described under clause (A)	
7	according to the relative desirability of taking each action	
8	on the basis of the impact that each action would have on	
9	the welfare of children.	
10	(D) A chart of the cumulative reduction in the property tax	
11	levy and property tax rate for the fund that would result	
12	from the adoption of a combination of the actions	
13	described under clause (A), beginning with the highest	
14	ranked action through the lowest ranked action.	
15	(E) A description of the impact that each action described	
16	under clause (A) would have on the eligibility of the state	
17	and the county for federal funding for children's	U
18	psychiatric residential treatment services or other federal	
19	funding.	
20	SECTION 11. IC 12-19-7.5-11, AS AMENDED BY P.L.234-2005,	
21	SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE	
22	JULY 1, 2006]: Sec. 11. The budget, supporting documentation for	
23	the budget, and tax levy recommended by the department shall be:	
24	(1) certified to the county auditor;	
25	(2) filed with the county fiscal body; and	
26	(3) filed with the department of local government finance.	
27	SECTION 12. [EFFECTIVE JULY 1, 2006] IC 12-19-7-0.5,	₹/
28	IC 12-19-7-5.5, IC 12-19-7.5-0.5, and IC 12-19-7.5-6.5, all as added	Y
29	by this act, and IC 12-19-7-4, IC 12-19-7-6, IC 12-19-7-9,	
30	IC 12-19-7.5-6, IC 12-19-7.5-8, and IC 12-19-7.5-11, all as amended	
31	by this act, apply only to:	
32	(1) property tax levies and property tax rates first due and	
33	payable after 2006; and	
34	(2) budgets for years beginning after December 31, 2006.	

